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**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2005



2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

PUBLIC EMPLOYEES' RETIREMENT FUND

1977 AND 1985 JUDGES' RETIREMENT SYSTEM

EXCISE POLICE & CONSERVATION ENFORCEMENT OFFICERS' RETIREMENT PLAN

1977 POLICE OFFICERS' AND FIREFIGHTERS' PENSION AND DISABILITY FUND

LEGISLATORS' RETIREMENT SYSTEM

- **DEFINED BENEFIT PLAN**
- **DEFINED CONTRIBUTION PLAN**

PROSECUTING ATTORNEYS' RETIREMENT FUND

PENSION RELIEF FUND

STATE EMPLOYEES' DEATH BENEFIT FUND

PUBLIC SAFETY OFFICERS' SPECIAL DEATH BENEFIT FUND

**PREPARED BY
PUBLIC EMPLOYEES' RETIREMENT FUND OF INDIANA
HARRISON BUILDING
143 WEST MARKET STREET
INDIANAPOLIS, INDIANA 46204
TOLL-FREE: 1-888-526-1687
WWW.PERF.IN.GOV**

PUBLIC EMPLOYEES' RETIREMENT FUND OF INDIANA 2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

PUBLIC EMPLOYEES' RETIREMENT FUND OF INDIANA

Letter of Transmittal

DAVID ADAMS
EXECUTIVE DIRECTOR

February 2006

Dear Board Members:

Enclosed is the 2005 Comprehensive Annual Financial Report of the Public Employees' Retirement Fund of Indiana (PERF or the Fund) for the fiscal year ended June 30, 2005. A copy of this report is also available on the PERF website at www.perf.in.gov.

As of June 30, 2005, PERF was responsible for the investment of \$13 billion in combined assets. In total, PERF paid monthly retirement, disability and survivor benefits to nearly 54,354 benefit recipients, served 155,051 members actively employed in public service and worked in partnership with approximately 1,100 participating employers statewide.

The Public Employees' Retirement Fund of Indiana

This report provides detailed information on the performance for all retirement plans administered by PERF, including the:

- Public Employees' Retirement Fund,
- 1977 and 1985 Judges' Retirement System,
- Excise Police and Conservation Enforcement Officers' Retirement Plan,
- 1977 Police Officers' and Firefighters' Pension and Disability Fund,
- Legislators' Retirement System (Defined Benefit Plan and Defined Contribution Plan), and
- Prosecuting Attorneys' Retirement Fund.

PERF also administers two special death benefit funds for public safety officers and state employees who die in the line of duty. In addition, the Fund manages the Pension Relief Fund, which was created by the Indiana General Assembly to address the unfunded pension obligations of the police officers' and firefighters' pension systems of Indiana's cities and towns. PERF is not responsible for the administration of those local pension funds, which have been closed to new membership since the creation of the 1977 Police Officers' and Firefighters' Pension and Disability Fund. However, PERF makes disbursements twice a year to the local police and firefighter units throughout the state that are still obliged to pay benefits under those former plans.

Management's Responsibility for Financial Reporting

The Fund's management prepared the financial statements included in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. PERF's management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of the Fund's operations.

The Indiana State Board of Accounts, PERF's external auditor, has conducted an audit of the general purpose financial statements in accordance with generally accepted auditing standards, performing work as it deemed necessary to express an opinion in their report.



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Letter of Transmittal (continued)

The State Board of Accounts completed their review of the Fund's financial statements for the fiscal year ending June 30, 2005 on Dec. 19, 2005. The resulting reports show the Fund had made significant progress in reducing total findings.

The findings of the State Board of Accounts showed real progress at the Fund, but observed internal control weaknesses. Internal control weaknesses are broadly defined as issues with people, processes and technology. During this fiscal year, PERF has moved from the tactical work of individual findings to a more strategic direction. This new direction has included organizational changes, technological changes, and the establishment of appropriate internal control processes and procedures. This effort has taken time and resources to resolve. PERF's leadership looks forward to working with the State Board of Accounts in ongoing efforts to make PERF a world class service provider.

The Comprehensive Annual Financial Report (CAFR)

The 2005 Comprehensive Annual Financial Report is presented in five sections:

- The *Introductory Section* contains the transmittal letter and highlights for each of the retirement plans administered by PERF.
- The *Financial Section* contains the auditor's opinion letter, the Management Discussion and Analysis, the financial statements audited by the Indiana State Board of Accounts, the notes to the financial statements, and supplementary information on the plans.
- The *Investment Section* contains information on the Fund's investment performance and a list of the Fund's largest holdings.
- The *Actuarial Section* contains the independent consulting actuary's certification, an outline of actuarial assumptions and methods, and other actuarial statistics.
- The *Statistical Section* contains tables of significant data pertaining to the plans.

Reporting Financial Information

The Fund's management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization. Management is also charged with recording these transactions as necessary to maintain accountability for assets, and to permit preparation of financial statements in accordance with generally accepted accounting principles. This system includes the written policies and procedures of the Board.

For financial reporting purposes, the Fund follows the Governmental Accounting Standards Board (GASB) Statement No. 25, Financial Reporting for Defined Benefits Pension Plans and Note Disclosures for Defined Contribution Plans. Assets of the Fund are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the required supplementary information following the notes to the financial statements.

The GASB issued Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement establishes financial reporting standards for state and local governments. The requirements of this statement are discussed further within the financial notes. The

PUBLIC EMPLOYEES' RETIREMENT FUND OF INDIANA

Letter of Transmittal (continued)

Management Discussion and Analysis is contained within the Financial Section and serves to supplement the *Introductory Section* of the *Comprehensive Annual Financial Report*, as well as financial statements, notes and supplementary information within the Financial Section.

Economic Condition

The Fund's economic condition is based primarily upon investment results and contributions from members and employers. Mercer Investment Consulting evaluated the year-end investment portfolio. The return comparison begins on page 54.

Investments

Positive investment performance for the Consolidated Retirement Investment Fund (CRIF) helped increase the Fund's assets in the fiscal year ending June 30, 2005. Despite a mixed investment environment that included both market recovery and the return of volatility to capital markets, the CRIF outpaced its Target Reference Index return.

The *Investment Section* includes an in-depth discussion of the CRIF and the investment policies guiding the PERF Board of Trustees in their decision making. The Board continues to make progress in diversifying the assets of the Fund and adjusting its risk and return profile in order to deliver the growth and earnings needed to meet future benefit obligations.

Asset Allocation

Prudent diversification through strategic asset allocation is fundamental to the Board's overall investment policy. The policy is designed to provide an optimal mix of asset classes in order to

meet the Fund's return objectives, while maintaining appropriate diversification and risk control. PERF continues to incorporate traditional assets (cash, domestic and international stocks, and domestic fixed income) while initiating efforts to begin incorporating nontraditional assets (real estate and private equity) into the target asset mix.

The investment portfolio mix at fair value for fiscal year ended June 30, 2005 was approximately 28.1 percent fixed income and 71.3 percent equities. The Fund had invested .6 percent in alternative investments as of June 30, 2005.

The equity portfolio is comprised of 49.5 percent domestic equity and 21.8 percent international and global equity on June 30. The remainder of the portfolio is in fixed income securities.

Funding

The health of a retirement system is measured in its ability to fund the current and future benefit obligations of its members, which is represented in its funding level. Adequate funding levels reflect the ratio between total accumulated assets compared to total actuarial accrued liabilities, resulting in a reduced reliance on contributions. Total Consolidated Retirement Investment Fund returns of 9.5 percent were well above actuarial assumptions of 7.25 percent.

July 1, 2003 the actuarial assumption for the COLA was changed from the remaining lifetime of the benefit recipient to five years from the valuation date. In this case, the COLA was only assumed to occur for five years and not thereafter for the life of the recipient. Effective July 1, 2004, the actuarial assumption was changed back to the remaining lifetime of the benefit recipient. The COLA

Letter of Transmittal (continued)

assumption is being phased in to mitigate the contribution rate change to the employers. As of July 1, 2004, the COLA is assumed to be 0.5 percent. The assumption change was made to more closely align with history. The actuarial assumptions and notes pages begin on page 66.

Funding status and progress for the plans are presented in the Required Supplementary Information Schedules of Funding Progress.

The actuarial accrued liability of the Fund is a measure of the present value of actuarial accrued liabilities estimated to be payable in the future to all current retirees, beneficiaries and employees for service earned to date. The "funding ratio" is the percentage computed by dividing the actuarial value of net assets available for benefits by the actuarial accrued liability. This ratio provides an indication of the funding status of the plan and generally, the greater this percentage, the stronger the plan.

The accumulated balance of funds derived from the excess of additions over deductions is referred to as the "net assets held in trust for pension benefits" in the Combined Statement of Changes in Fiduciary Net Assets in the *Financial Section* of this report. The actuarial accrued liability is not disclosed in the financial statements, but is disclosed in the required supplementary information schedules following the notes to the financial statements.

Actuarial Survey Valuation

An actuarial review of the Fund is performed annually. An

assumption experience study is performed every three to five years. The actuarial firm, McCready & Keene, completed the actuarial reviews and valuations and served as technical advisor to the Fund. Actuarial certification and supporting statistics are included in the Actuarial and Statistical sections of this report.

Acknowledgements

The compilation of this report reflects the efforts of the staff and advisors of the Indiana Public Employees' Retirement Fund. It is intended to provide information for use as the basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the assets contributed by our members and employers. The reporting employers form the link between the funds and our members and their families. Their cooperation contributes significantly to the success of PERF and we hope they and their employees find this report informative.

On behalf of PERF, I would like to take this opportunity to thank Governor Daniels, the members of the Pension Management Oversight Commission, the General Assembly, the Board of Trustees and the many public employees and employers who work so diligently to serve the people of Indiana.

Sincerely,



David J. Adams
Executive Director

PUBLIC EMPLOYEES' RETIREMENT FUND OF INDIANA

Fund Highlights

PUBLIC EMPLOYEES' RETIREMENT FUND

Composite Picture

Total Membership

Active (In-Service)	142,913
Terminated Vested	9,884
Benefit Recipients	54,354
Average Annual Benefit	\$ 5,992

Active Members

Average age	45.7 years
Average years of service	10.3 years
Average annual salary	\$ 29,489

Benefit Recipients

New Recipients	3,787
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Membership and Eligibility

The Public Employees' Retirement Fund includes eligible state and local government employees.

Receiving Retirement Benefits

Age	Years of Service	Allowance Reduction
50 up to 59	15 or more	11% at age 59, additional 5% for each year under age 59
55	Age at retirement plus total years of service equals 85 or more	None
60	15 or more	None
65	10 or more	None
65	8 or more*	None

*A member who has at least eight years of PERF service as a County Clerk, County Auditor, County Recorder, County Treasurer, County Sheriff or County Coroner is eligible for normal retirement after reaching age 65. This change in the law applies only to members retiring after June 30, 2002. Public Law 73-2002 also provides that a member serving as State Auditor, State Treasurer or Secretary of State and whose term commences after the November 5, 2002, election be vested with at least eight years of creditable service.

Benefit Formula

$$\text{Annual Benefit} = (\text{Years of Creditable Service} \times \text{Average Annual Compensation} \times .011) + \text{Annuity Savings Account}^*$$

*Members can elect at retirement to receive their Annuity Savings Account as a monthly supplement to their defined pension benefit or in a total distribution.

Cost of Living Allowance

Cost of living allowances are passed by the Indiana General Assembly on an ad-hoc basis.

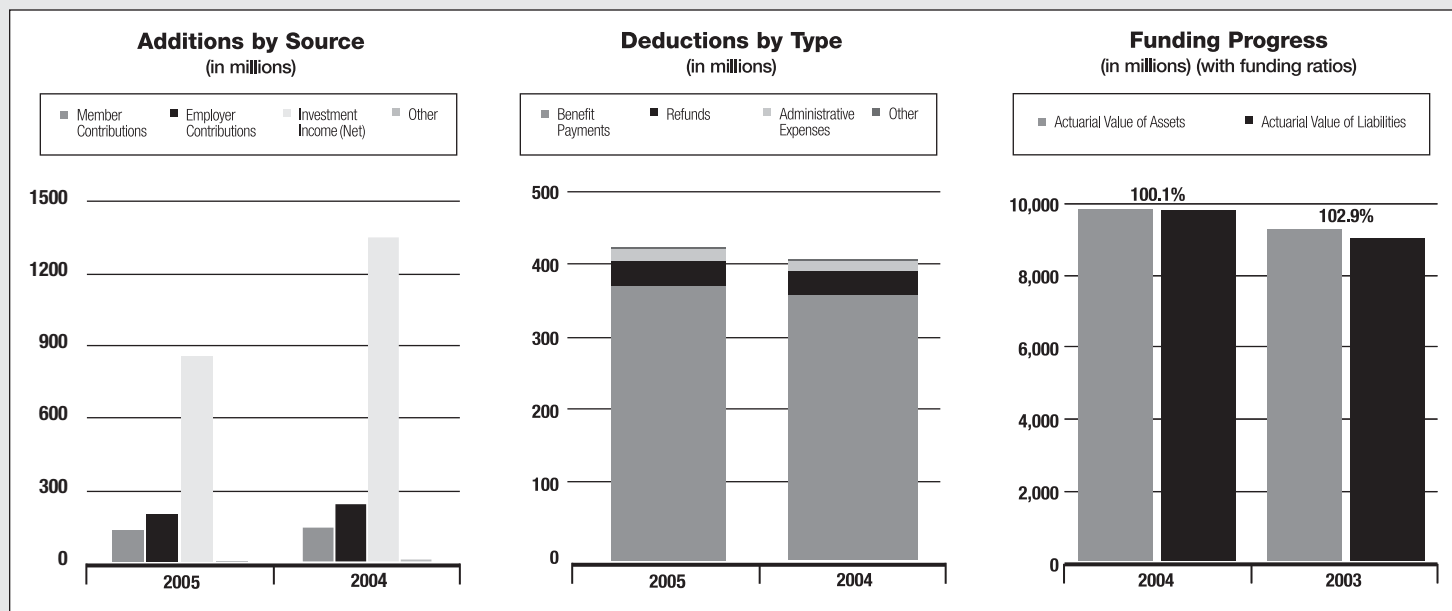
Contribution Rates

- Members are required to contribute 3 percent of gross wages to the Annuity Savings Account. Employers have the option of making all or part of this contribution on behalf of the member.
- Members may also voluntarily contribute up to an additional 10 percent of their post-tax wages into the Annuity Savings Account.
- The amount (rate) of Employer contributions are adopted by the Board of Trustees based on recommendations by the Fund's actuary.

2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fund Highlights

PUBLIC EMPLOYEES' RETIREMENT FUND



For fiscal year ended June 30
(in millions)

Additions by Source

	2005	2004
Member Contributions	\$ 136.0	\$ 136.0
Employer Contributions	206.3	234.9
Investment Income (net)	896.4	1,351.2
Other	3.5	2.4
Totals	1,242.2	1,724.5

For fiscal year ended June 30
(in millions)

Deductions by Type

	2005	2004
Benefit Payments	\$ 375.8	\$ 361.5
Refunds	35	32.9
Administrative Expenses	15.6	13.4
Other	3.9	2.8
Totals	430.3	410.6

Actuarial study as of July 1
(in millions)

Funding Progress

	2004	2003
Actuarial Value of Assets	\$ 9,854	\$ 9,294
Actuarial Value of Liabilities	9,844	9,035

Funding Ratios 100.1% 102.9%

Annuity Savings Account

In addition to the employer-financed defined benefit pension, the Public Employees' Retirement Fund benefits structure also includes the Annuity Savings Account. The purpose of the Annuity Savings Account is to help public employees of state and local governments save for their retirement by allowing them to invest in a number of different investment funds.

While employer-provided retirement and Social Security benefits are valuable sources of retirement income, they are only a part of the total retirement picture. Employees can begin investing their own money in a long-term savings plan and take responsibility for their future retirement income.

The plan provides the following benefits:

- Convenient, automatic payroll deductions
- Six investment options
- Tax deferred savings
- Roll over funds into qualified plan or IRA upon termination or retirement
- Upon death, funds transfer to beneficiaries
- Immediate vesting
- Low investment and administrative fees

Total Annuity Savings Account Assets

Annuity Savings Account

(in millions)

As of June 30,	2004	\$2,164
	2005	\$2,341

PUBLIC EMPLOYEES' RETIREMENT FUND OF INDIANA

Fund Highlights

1977 AND 1985 JUDGES' RETIREMENT SYSTEM

Composite Picture

Total Membership

Active (In-Service)	275
Terminated Vested	81
Benefit Recipients	262
Average Annual Benefit	\$ 37,609

Active Members

Average age	49.0 years
Average years of service	10.2 years
Average annual salary	\$ 93,431

Benefit Recipients

New Recipients	9
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Membership & Eligibility

The 1977 and 1985 Judges' Retirement System includes justices and judges of the Supreme Court, appellate, circuit, superior, criminal, probate, juvenile and municipal courts.

Receiving Retirement Benefits		
Age	Years of Service	Allowance Reduction
55	Age at retirement plus total years of service equals 85 or more	None
62	8 or more	0.1% for each month that retirement precedes age 65
65	8 or more	None

Benefit Formula

Annual Benefit = Salary at Retirement¹ x Percentage Below

Years of Service	Percentage	Years of Service	Percentage
8	24%	16	54%
9	27	17	55
10	30	18	56
11	33	19	57
12	50	20	58
13	51	21	59
14	52	22 or more	60
15	53		

¹Benefit calculations for the 1977 System are based on the current salary of the judge's position from which they retired. The 1985 System uses the salary paid to the judge when they retired.

Cost of Living Allowance

For the 1977 System, the cost of living allowance is a percentage increase equal to the increase in the salary of the judges' position from which the judge retired. There is no cost of living allowance in the 1985 System. There is no cost of living allowance for survivor benefits.

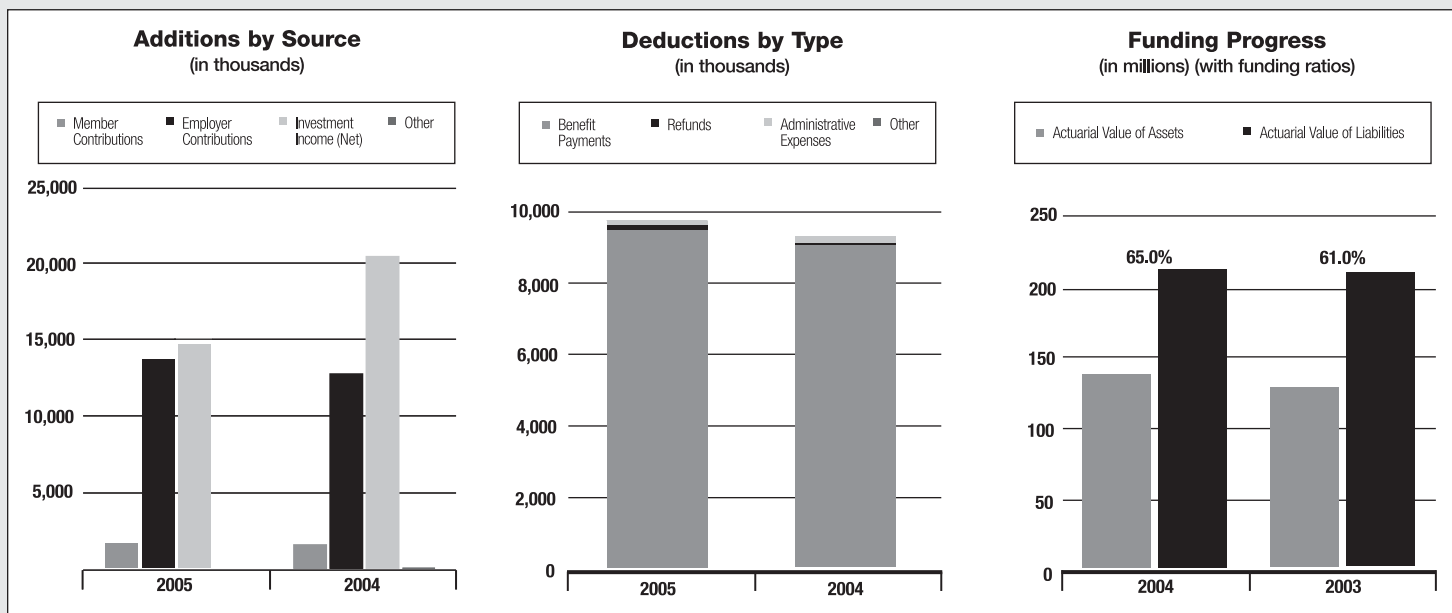
Contribution Rates

- Employees contribute 6 percent of the judge's statutory salary until 22 years of service have been completed.
- Employer contributions are determined by the General Assembly as biennial appropriations from the State's General Fund.

2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fund Highlights

1977 AND 1985 JUDGES' RETIREMENT SYSTEM



For fiscal year ended June 30

2005 2004

Additions by Source

Member Contributions	\$ 1,569	\$ 1,550
Employer Contributions	13,540	12,965
Investment Income (net)	14,814	20,780
Other	0	1
Totals	29,923	35,306

For fiscal year ended June 30

2005 2004

Deductions by Type

Benefit Payments	\$ 9,487	\$ 9,041
Refunds	119	45
Administrative Expenses	134	197
Other	—	—
Totals	9,740	9,283

Actuarial study as of July 1
(in millions)

2004 2003

Funding Progress

Actuarial Value of Assets	\$ 135.8	\$ 126.2
Actuarial Value of Liabilities	210.0	206.8

Funding Ratios

65.0% 61.0%

PUBLIC EMPLOYEES' RETIREMENT FUND OF INDIANA

Fund Highlights

EXCISE POLICE AND CONSERVATION ENFORCEMENT OFFICERS' RETIREMENT PLAN

Composite Picture

Total Membership

Active (In-Service)	251
Terminated Vested	4
Benefit Recipients	128
Average Annual Benefit	\$ 13,580

Active Members

Average age	42.3 years
Average years of service	17.7 years
Average annual salary	\$ 40,675

Benefit Recipients

Benefit Recipients	5
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Membership & Eligibility

The Excise Police and Conservation Enforcement Officers' Retirement Plan includes employees of both the Department of Natural Resources and the Alcoholic Beverage Commission who are engaged exclusively in the performance of law enforcement duties.

Receiving Retirement Benefits

Age	Years of Service	Allowance Reduction
45	15 or more	0.25% for each full month that retirement precedes age 60
55	Age at retirement plus total years of service equals 85 or more	None
60	15 or more	None

Benefit Formula

Annual Benefit = 25 percent¹ x Average Annual Salary²

¹This percentage is increased by 1-2/3 percent of average annual salary for each completed year of creditable service after 10 years (up to 25 years) and by 1 percent for each year of creditable service after 25 years.

²Average Annual Salary means the average annual salary of an officer during the five years of highest annual salary in the 10 years immediately preceding an officer's retirement date.

Cost of Living Allowance

Cost of living allowance is equal to any ad-hoc cost of living allowance enacted for PERE

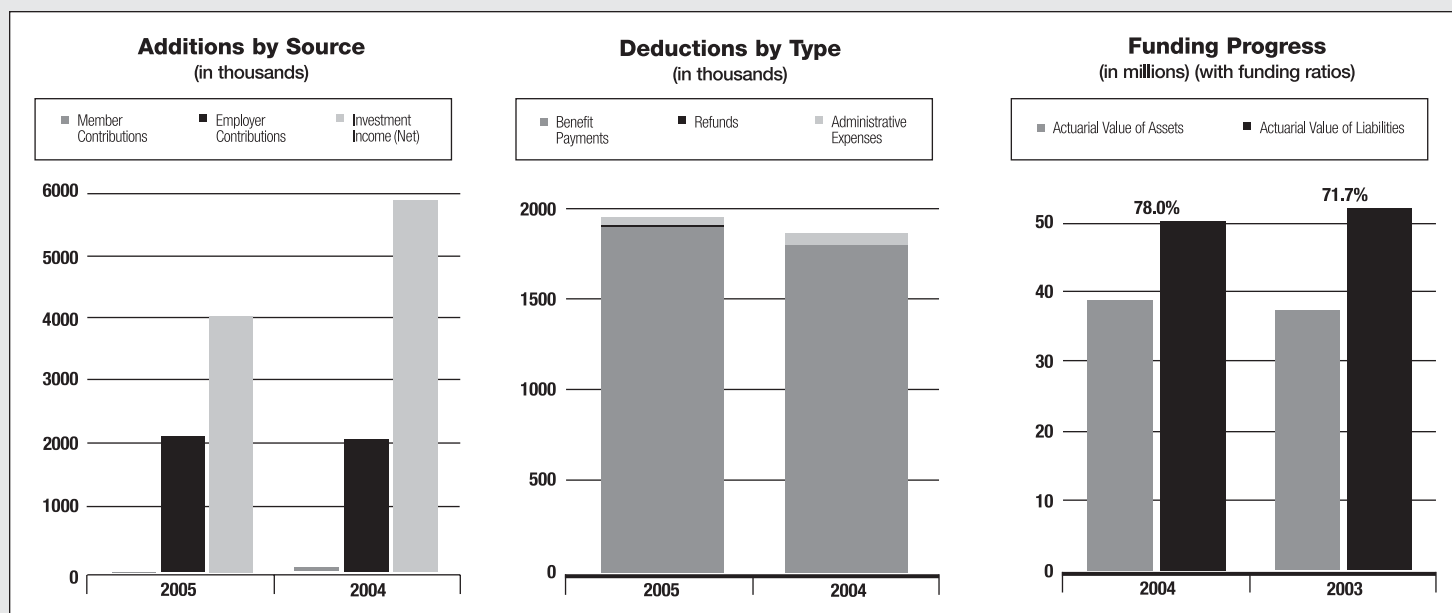
Contribution Rates

- Member rates equal 3 percent of the first \$8,500 of annual salary (maximum contribution is \$255 per year).
- Employer contributions are adopted by the Board of Trustees based on recommendations by the Fund's actuary.

2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fund Highlights

EXCISE POLICE AND CONSERVATION ENFORCEMENT OFFICERS' RETIREMENT PLAN



For fiscal year ended June 30
(in thousands)

Additions by Source

	2005	2004
Member Contributions	\$ 68	\$ 74
Employer Contributions	2,164	2,120
Investment Income (net)	4,092	5,971
Totals	6,324	8,165

For fiscal year ended June 30
(in thousands)

Deductions by Type

	2005	2004
Benefit Payments	\$ 1,919	\$ 1,821
Refunds	15	—
Administrative Expenses	40	63
Totals	1,974	1,884

Actuarial study as of July 1
(in millions)

Funding Progress

	2004	2003
Actuarial Value of Assets	\$ 38.8	\$ 37.3
Actuarial Value of Liabilities	50.0	52.0

Funding Ratios 78.0% 71.7%

PUBLIC EMPLOYEES' RETIREMENT FUND OF INDIANA

Fund Highlights

1977 POLICE OFFICERS' AND FIREFIGHTERS' PENSION AND DISABILITY FUND

Composite Picture

Total Membership

Active (In-Service)	11,238
Terminated Vested	125
Benefit Recipients	1,906
Average Annual Benefit	\$17,974

Active Members

Average age	38.4 years
Average years of service	11.8 years
Average annual salary	\$ 41,800

Benefit Recipients

New Recipients	127
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Membership & Eligibility

The 1977 Police Officers' and Firefighters' Pension and Disability Fund includes eligible state and local police officers and firefighters.

Receiving Retirement Benefits

Age	Years of Service	Allowance Reduction
50	20 or more	Actuarial allowance reduction
52	20 or more	None

Benefit Formula

Monthly benefit equal to 50 percent¹ of first-class salary for 20 years of service.

¹This percentage is increased by 1 percent for each six months of active service accumulated after 20 years of service (to a maximum of 32 years, or 74 percent).

Cost of Living Allowance

Cost of living allowance is a percentage determined by statute equal to the change in the Consumer Price Index, but not in excess of a 3 percent increase.

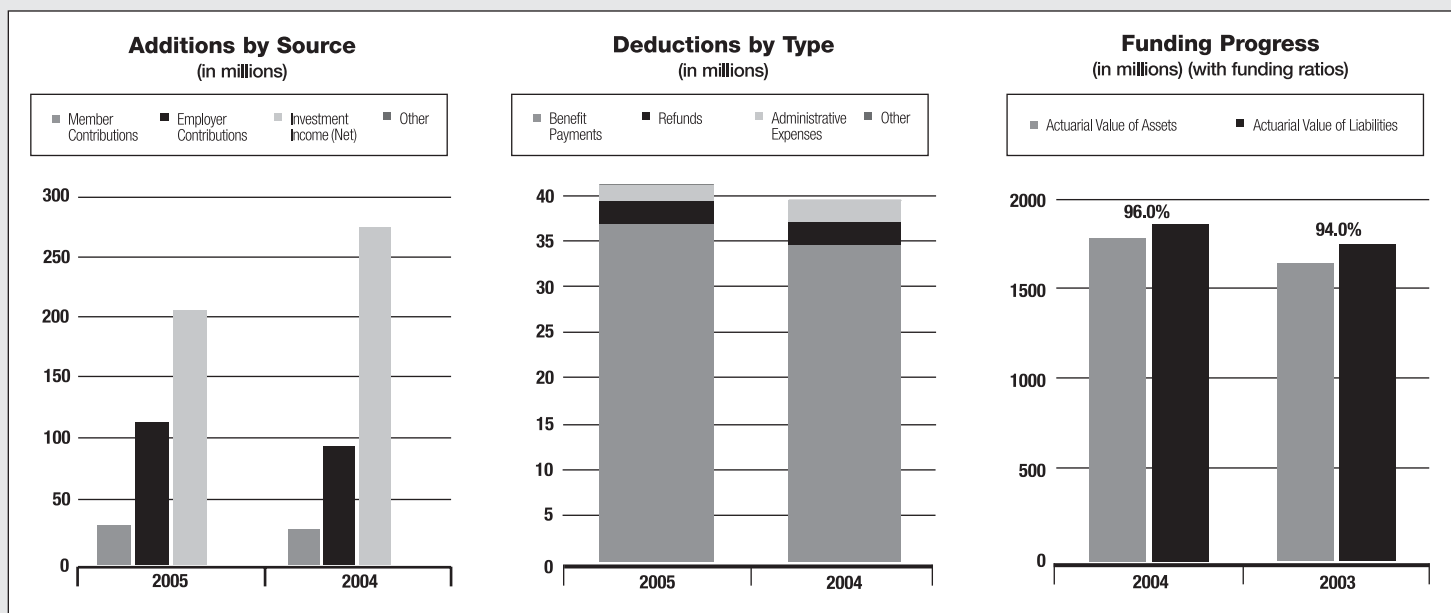
Contribution Rates

- Members contribute 6 percent of first-class salary. Employers have the option of making all or part of this contribution on behalf of the member.
- Employers contribute 21 percent of first-class salary.
- Employer contributions are adopted by the Board of Trustees based on recommendations by the Fund's actuary.

2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fund Highlights

1977 POLICE OFFICERS' AND FIREFIGHTERS' PENSION AND DISABILITY FUND



For fiscal year ended June 30
(in millions)

Additions by Source

	2005	2004
Member Contributions	\$ 32.6	\$ 29.0
Employer Contributions	117.7	97.5
Investment Income (net)	201.0	278.2
Other	0.1	0.1
Totals	483.3	404.9

For fiscal year ended June 30
(in millions)

Deductions by Type

	2005	2004
Benefit Payments	\$ 37.1	\$ 34.7
Refunds	2.5	2.5
Administrative Expenses	1.8	2.4
Other	—	—
Totals	41.4	39.6

Actuarial study as of Jan. 1
(in millions)

Funding Progress

	2004	2003
Actuarial Value of Assets	\$ 1,797.1	\$ 1,660.4
Actuarial Value of Liabilities	1,875.5	1,766.8

Funding Ratios	96.0%	94.0%
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PUBLIC EMPLOYEES' RETIREMENT FUND OF INDIANA

Fund Highlights

LEGISLATORS' RETIREMENT SYSTEM- DEFINED BENEFIT PLAN*

Composite Picture

Total Membership

Active (In-Service)	50
Terminated Vested	27
Benefit Recipients	39
Average Annual Benefit	\$ 6,303

Active Members

Average age	65.1 years
Average years of service	25.2 years
Average annual salary	N/A

Benefit Recipients

New Recipients	0
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Membership & Eligibility

The Legislators' Retirement System Defined Benefit Fund includes only legislators of the State of Indiana who were serving on April 30, 1989 and elected participation.

Receiving Retirement Benefits		
Age	Years of Service	Allowance Reduction
55	10 or more ¹	Benefit reduced using early retirement formula ²
55	Age at retirement plus total years of service as a member of the General Assembly equals 85 or more	None
65	10 or more ³	None

¹Have terminated service as a member of the General Assembly and is not receiving nor is entitled to receive a salary from the state.

²Early Retirement Benefit Formula:

Step 1: 780 months (65 years) – your age at retirement in full months = [x].

Step 2: If [x] is equal to or less than 60, then multiply [x] by 0.1 percent to obtain a product [y]. If [x] is greater than 60, then multiply 5/12 percent by the difference between 60 and the remainder [x]. Then take this product and add 6 percent to obtain a sum [y].

Step 3: Then subtract [y] from 100 percent to determine the percentage of your age 65 retirement benefit you receive.

³Have terminated service as a member of the General Assembly, are not receiving nor are entitled to receive a salary from the state and are not receiving and have not previously received a reduced monthly benefit under this plan.

Benefit Formula

Lesser of:

- \$40 x Years of service before Nov. 8, 1989 or
- Highest consecutive three-year annual salary at termination ÷ 12

Cost of Living Allowance

Cost of living allowance is equal to any ad-hoc cost of living allowance enacted for PERE

Contribution Rates

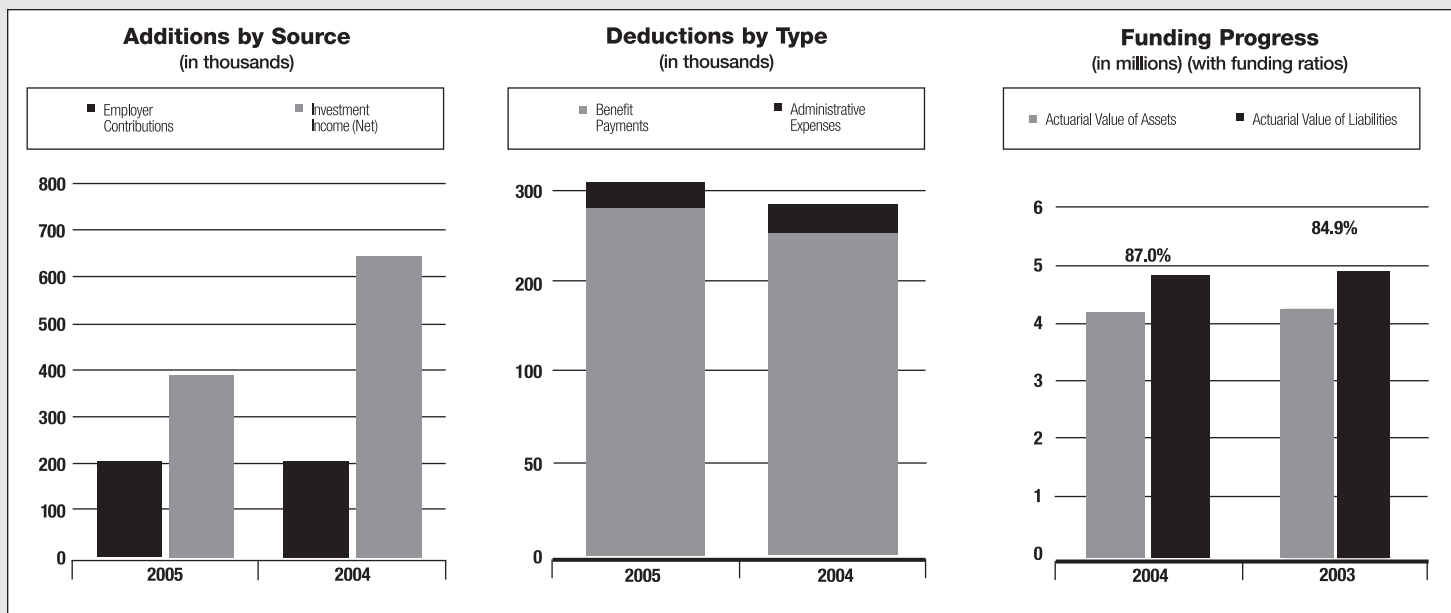
Employer contributions are adopted by the Board of Trustees based on recommendations by the Fund's actuary.

*The Legislators' Retirement System also includes a defined contribution plan available to all legislators of the State of Indiana who serve in the General Assembly on or after April 30, 1989. Members contribute 5 percent of their annual salary. The State of Indiana contributes 20 percent of their members' annual salaries for service after June 30, 1989.

2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fund Highlights

LEGISLATORS' RETIREMENT SYSTEM- DEFINED BENEFIT PLAN



For fiscal year ended June 30
(in thousands)

Additions by Source

Employer Contributions	\$ 206	\$ 206
Investment Income (net)	392	646
Totals	598	852

For fiscal year ended June 30
(in thousands)

Deductions by Type

Benefit Payments	\$ 283	\$ 263
Administrative Expenses	23	24
Totals	306	287

Actuarial study as of July 1
(in millions)

Funding Progress

Actuarial Value of Assets	\$ 4.21	\$ 4.20
Actuarial Value of Liabilities	4.86	4.95

Funding Ratios 87.0% 84.9%

PUBLIC EMPLOYEES' RETIREMENT FUND OF INDIANA

Fund Highlights

PROSECUTING ATTORNEYS' RETIREMENT FUND

Composite Picture

Total Membership

Active (In-Service)	214
Terminated Vested	247
Benefit Recipients	18
Average Annual Benefit	\$ 14,259

Active Members

Average age	47.1 years
Average years of service	8.7 years
Average annual salary	\$ 70,790

Benefit Recipients

New Recipients	0
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Membership & Eligibility

The Prosecuting Attorneys' Retirement Fund includes prosecuting attorneys, chief deputy prosecuting attorneys and deputy prosecuting attorneys paid by the state.

Receiving Retirement Benefits*

Age	Years of Service	Allowance Reduction
62	10 or more	0.25% for each full month that retirement precedes age 65
65	10 or more	None

* Benefits are reduced by any pension benefits payable from the Public Employees' Retirement Fund.

Benefit Formula

Annual Benefit = Highest Annual Salary (State Portion Only) at Retirement x Percentage Below

Years of Service	Percentage	Years of Service	Percentage
Less than 10	0 %	16	54 %
10	30	17	55
11	33	18	56
12	50	19	57
13	51	20	58
14	52	21	59
15	53	22 or more	60

Cost of Living Allowance

No cost of living allowance is available.

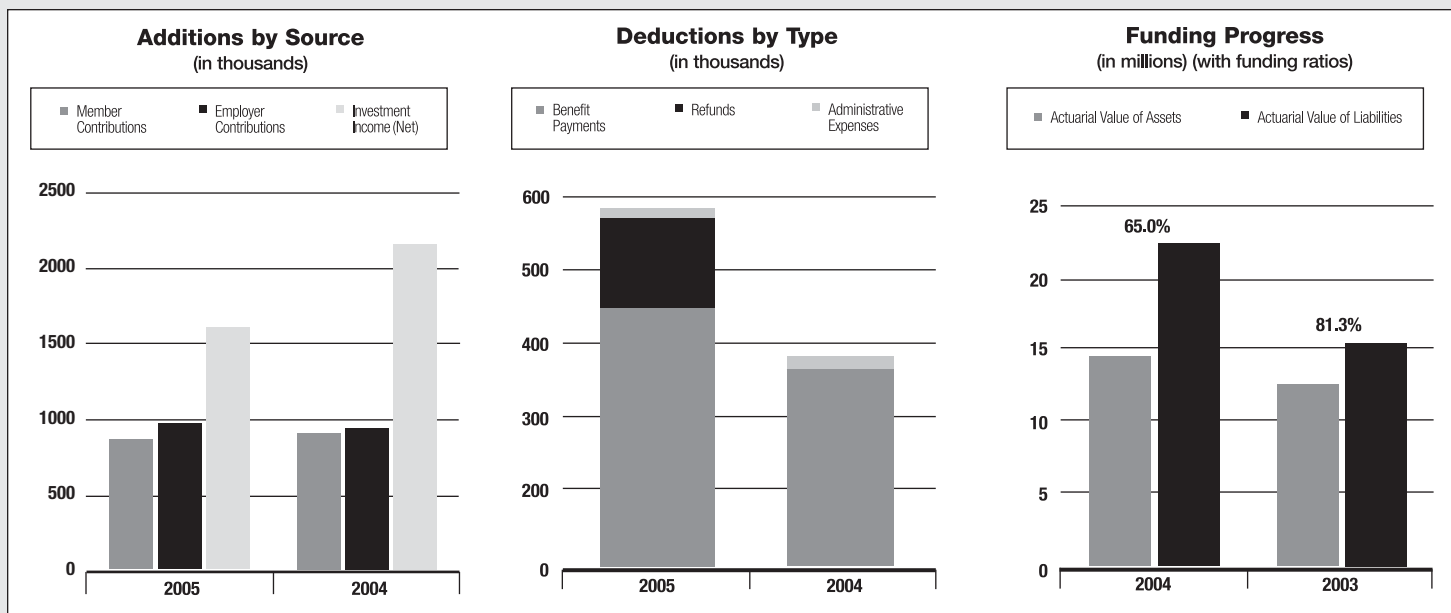
Contribution Rates

- Members contribute 6 percent of the state-paid portion of their annual salary.
- Employer contributions are adopted by the Board of Trustees based on recommendations by the Fund's actuary.

2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fund Highlights

PROSECUTING ATTORNEYS' RETIREMENT FUND



For fiscal year ended June 30
(in thousands)

Additions by Source

Member Contributions	\$ 856	\$ 900
Employer Contributions	961	933
Investment Income (net)	1,598	2,147
Totals	3,385	3,980

For fiscal year ended June 30
(in thousands)

Deductions by Type

Benefit Payments	\$ 423	\$ 357
Refunds	148	—
Administrative Expenses	15	25
Totals	586	382

Actuarial study as of July 1
(in millions)

Funding Progress

Actuarial Value of Assets	\$ 14.7	\$ 12.8
Actuarial Value of Liabilities	22.6	15.7

Funding Ratios 65.0% 81.3%

